

## ATASCADERO MUTUAL WATER COMPANY

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of July \_\_, 2015, is executed and delivered by the Atascadero Mutual Water Company (the “Obligated Person”) and the San Luis Obispo County Flood Control and Water Conservation District (the “District”) in connection with the execution and delivery of \$\_\_\_\_,000 principal amount of SLO County Financing Authority Nacimiento Water Project Revenue Refunding Bonds, 2015 Series A (the “2015 Series A Bonds”) and \$\_\_\_\_,000 principal amount of SLO County Financing Authority Nacimiento Water Project Revenue Refunding Bonds, 2015 Series B (Taxable) (the “Taxable 2015 Series A Bonds” and together with the 2015 Series A Bonds, the “2015 Bonds”). The 2015 Bonds will be issued and secured pursuant to the terms of an Indenture of Trust, dated as of September 1, 2007 (the “Original Indenture”), as supplemented and amended by the First Supplemental Indenture of Trust dated as of \_\_\_\_\_ 1, 2015 (the First Supplemental Indenture” and together with the Original Indenture, the “Indenture”), each by and between the SLO County Financing Authority (the “Authority”) and U.S. Bank National Association, as trustee (the “Trustee”). The Obligated Person covenants and agrees on behalf of the Authority as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Obligated Person for the benefit of the Beneficial Owners of the 2015 Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Disclosure Report*” shall mean any Annual Disclosure Report provided by the Obligated Person pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the \_\_\_\_\_ of the Obligated Person or such other official as may be designated in writing to the Dissemination Agent (if other than the Obligated Person) from time to time.

“*Dissemination Agent*” shall mean the Flood Control District, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Obligated Person and which has filed with the Obligated Person a written acceptance of such designation.

“*Filing Date*” shall mean January 30 of the Fiscal Year of the Obligated Person (or the next succeeding business day if such day is not a business day), commencing January 30, 2016.

“*Fiscal Year*” shall mean the period beginning on March 1 of each year and ending on the next succeeding April 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Obligated Person and certified to the Trustee in writing by an Authorized Representative of the Obligated Person.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“*Official Statement*” means the Official Statement dated \_\_\_\_\_, 2015 relating to the 2015 Bonds.

“*Participating Underwriter*” shall mean the original underwriter of the 2015 Bonds required to comply with the Rule in connection with offering of the 2015 Bonds.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*Specified Event*” shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Agreement and any other event legally required to be reported pursuant to the Rule.

### SECTION 3. Provision of Annual Disclosure Reports.

(a) The Obligated Person shall provide, or shall cause the Dissemination Agent to provide, not later than the Filing Date, to the MSRB an Annual Disclosure Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Disclosure Report shall be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in the Disclosure Agreement. If the fiscal year of the Obligated Person changes, it shall give notice of such change in the same manner as for a Specified Event under this Disclosure Agreement.

(b) Not later than January 15 of each year, commencing January 15, 2016, the Obligated Person shall provide the Annual Disclosure Report to the Dissemination Agent (if other than the Obligated Person). The Obligated Person shall provide, or cause the preparer of the Annual Disclosure Report to provide, a written certificate with each Annual Disclosure Report furnished to the Dissemination Agent to the effect that such Annual Disclosure Report constitutes the Annual Disclosure Report required to be furnished under the Disclosure Agreement. The Dissemination Agent may conclusively rely upon such certification and shall have no duty or obligation to review such Annual Disclosure Report.

(c) The Flood Control District shall use its best efforts to assist the Obligated Person in preparing the Annual Disclosure Report for delivery to the Dissemination Agent no later than January 15 of each year.

(d) Not later than the Filing Date, the Dissemination Agent shall provide written notice confirming whether or not such Annual Disclosure Report has been furnished by the Obligated Person.

(e) If the Obligated Person is unable to provide the Annual Disclosure Report to the Dissemination Agent by the Filing Date of each year commencing January 30, 2016, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

- (f) The Dissemination Agent shall:
  - (i) If not previously filed by the Obligated Person, send a notice to the MSRB if the Participating Agency, is unable to provide to the Annual Filing to the MSRB by the date required in subsection (a); and
  - (ii) to the extent information is known to it, file a report with the Obligated Person certifying that the Annual Disclosure Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

SECTION 4. Content of Annual Disclosure Reports. The Annual Disclosure Report shall contain or include by reference the following:

(a) The audited financial statements of the Obligated Person prepared in accordance with generally accepted accounting principles in effect from time to time. If any of such audited financial statements are not available by the time the Annual Disclosure Report is required to be filed pursuant to Section 3(a), the Annual Disclosure Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Disclosure Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the Filing Date, financial and operating data with respect to the Obligated Person for the preceding Fiscal Year, substantially similar to the financial and operating data in the Official Statement as Follows:

- (i) Principal and interest payment delinquencies;
- (ii) Table A1-1 Water Connections;
- (iii) Table A1-2 Water Deliveries;
- (iv) Table A1-3 Water Sales Revenues;
- (v) Table A1-7 Operating Results;
- (vi) Information concerning any revisions to the adopted rates and charges which are generally imposed by the Obligated Person upon users within the service area of its Water Enterprise; and
- (vii) For any customer whose total billings in the preceding Fiscal Year represent 10% or more of Gross Revenues of the Water Enterprise: (A) the total amount of Gross Revenues derived from such customer; and (B) the percent of Gross Revenues represented by such customer for such Fiscal Year.

(c) In addition to any of the information expressly required to be provided under Sections 4(a) and 4(b), the Obligated Person shall provide such other information, if any, necessary to the required statements, in light of the circumstances under which they were made, not misleading.

(d) The presentation and format of the Annual Disclosure Reports may be modified from time to time as determined in the judgment of the Obligated Person to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Obligated Person to reflect changes in the business, structure, operations, legal form of the Obligated Person or any mergers, consolidations, acquisitions or dispositions made by or affecting the Obligated Person; provided that any such modifications shall comply with the requirements of the Rule.

(e) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Obligated Person or related public entities, which have been made available to the public on the MSRB website. The Obligated Person shall clearly identify each such other document so included by reference.

**SECTION 5. Termination of Reporting Obligation.** The Obligated Person's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2015 Bonds. If such termination occurs prior to the final maturity of the 2015 Bonds, the Obligated Person shall give notice of such termination to the MSRB.

**SECTION 6. Dissemination Agent.** The Obligated Person may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the Obligated Person.

The initial Dissemination Agent shall be the Flood Control District.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2015 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of the 2015 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the 2015 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of a nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the 2015 Bonds.

(d) Any amendment that modifies or increases the duties or obligations of the Dissemination Agent shall be agreed to in writing by the Dissemination Agent.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Obligated Person shall describe such amendment in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Obligated Person. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Specified Event, and (ii) the Annual Disclosure Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of a Specified Event, in addition to that which is required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Disclosure Report or notice of occurrence of a Specified Event in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Agreement to update such information or include it in any future Annual Disclosure Report or notice of occurrence of a Specified Event.

SECTION 9. Default. This Disclosure Agreement shall be solely for the benefit of the holders and beneficial owners from time to time of the 2015 Bonds. In the event of a failure of the Obligated Person to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of the Participating Underwriter or the Holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon receipt of indemnity satisfactory to the Trustee, shall), or any Holder or Beneficial Owner of the 2015 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by order of a court of competent jurisdiction in San Luis Obispo County, California, to cause the Obligated Person to comply with its obligations under this Disclosure Agreement, *provided* that any holder or beneficial owner seeking to require the Obligated Person to comply with this Disclosure Agreement shall first provide at least thirty (30) days prior written notice to the Obligated Person of the failure of the Obligated Person, giving reasonable detail of such failure. Failure by the Obligated Person to comply with any provision of this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Obligated Person to comply with the terms of this Disclosure Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Disclosure Agreement.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Obligated Person agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful

misconduct. The Dissemination Agent shall be paid compensation by the Obligated Person for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of the Obligated Person under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2015 Bonds.

SECTION 11. Notices. Any notices or communications to the Participating Agency or the Flood Control District may be given as follows:

Obligated Person:

Atascadero Mutual Water Company  
P.O. Box 6075  
5005 El Camino Real  
Atascadero, California, California 93423  
Attention: Chief Executive Officer  
Phone: \_\_\_\_\_

Dissemination Agent:

San Luis Obispo Flood Control and Water Conservation District  
County Government Center  
1055 Monterey Street  
San Luis Obispo, CA 93408  
Attention: Auditor-Controller  
Phone: 805-781-5040

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Flood Control District, the Trustee, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the 2015 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Record Keeping. The Obligated Person shall maintain records of Annual Disclosure Reports and notices of Specified Events, including the content of such disclosure, the name of the entities with which such disclosure was filed and the date of filing of such disclosure.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

ATASCADERO MUTUAL WATER COMPANY

By: \_\_\_\_\_  
Authorized Officer

Accepted:

SAN LUIS OBISPO COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT, as  
Dissemination Agent

By: \_\_\_\_\_  
Chairman

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL DISCLOSURE REPORT

Name of Obligated Party: Atascadero Mutual Water Company

Name of Bonds: SLO County Financing Authority Nacimiento Water Project Refunding  
Revenue Bonds 2015 Series A

SLO County Financing Authority Nacimiento Water Project Refunding  
Revenue Bonds 2015 Series B (Taxable)

Date of Delivery: July \_\_, 2015

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Disclosure Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of July \_\_, 2015, with respect to the 2015 Bonds. [The Obligated Person anticipates that the Annual Disclosure Report will be filed by \_\_\_\_\_.]

SAN LUIS OBISPO COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

By: \_\_\_\_\_  
[Name], [Title]

[cc: District]



**CITY OF PASO ROBLES  
CITY OF SAN LUIS OBISPO  
TEMPLETON COMMUNITY SERVICES DISTRICT**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of July \_\_, 2015, is executed and delivered by the [City of Paso Robles / City of San Luis Obispo / Templeton Community Services District] (the “Obligated Person”) and the San Luis Obispo County Flood Control and Water Conservation District (the “Flood Control District”) in connection with the execution and delivery of \$ \_\_, \_\_, 000 principal amount of SLO County Financing Authority Nacimiento Water Project Revenue Refunding Bonds, 2015 Series A (the “2015 Series A Bonds”) and \$ \_\_, \_\_, 000 principal amount of SLO County Financing Authority Nacimiento Water Project Revenue Refunding Bonds, 2015 Series B (Taxable) (the “Taxable 2015 Series A Bonds” and together with the 2015 Series A Bonds, the “2015 Bonds”). The 2015 Bonds will be issued and secured pursuant to the terms of an Indenture of Trust, dated as of September 1, 2007 (the “Original Indenture”), as supplemented and amended by the First Supplemental Indenture of Trust dated as of \_\_\_\_\_ 1, 2015 (the First Supplemental Indenture” and together with the Original Indenture, the “Indenture”), each by and between the SLO County Financing Authority (the “Authority”) and U.S. Bank National Association, as trustee (the “Trustee”). The Obligated Person covenants and agrees on behalf of the Authority as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Obligated Person for the benefit of the Beneficial Owners of the 2015 Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Disclosure Report*” shall mean any Annual Disclosure Report provided by the Obligated Person pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the \_\_\_\_\_ of the Obligated Person or such other official as may be designated in writing to the Dissemination Agent (if other than the Obligated Person) from time to time.

“*Dissemination Agent*” shall mean the Flood Control District, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Obligated Person and which has filed with the Obligated Person a written acceptance of such designation.

“*Filing Date*” shall mean March 31 of the Fiscal Year of the Obligated Person (or the next succeeding business day if such day is not a business day), commencing March 31, 2016.

“*Fiscal Year*” shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year

period of the Obligated Person and certified to the Trustee in writing by an Authorized Representative of the Obligated Person.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“*Official Statement*” means the Official Statement dated \_\_\_\_\_, 2015 relating to the 2015 Bonds.

“*Participating Underwriter*” shall mean the original underwriter of the 2015 Bonds required to comply with the Rule in connection with offering of the 2015 Bonds.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*Specified Event*” shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Agreement and any other event legally required to be reported pursuant to the Rule.

### SECTION 3. Provision of Annual Disclosure Reports.

(a) The Obligated Person shall provide, or shall cause the Dissemination Agent to provide, not later than the Filing Date, to the MSRB an Annual Disclosure Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Disclosure Report shall be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in the Disclosure Agreement. If the Fiscal Year of the Obligated Person changes, it shall give notice of such change in the same manner as for a Specified Event under this Disclosure Agreement.

(b) Not later than March 15 of each year, commencing March 15, 2016, the Obligated Person shall provide the Annual Disclosure Report to the Dissemination Agent (of other than the Obligated Person). The Obligated Person shall provide, or cause the preparer of the Annual Disclosure Report to provide, a written certificate with each Annual Disclosure Report furnished to the Dissemination Agent to the effect that such Annual Disclosure Report constitutes the Annual Disclosure Report required to be furnished under the Disclosure Agreement. The Dissemination Agent may conclusively rely upon such certification and shall have no duty or obligation to review such Annual Disclosure Report.

(c) The Flood Control District shall use its best efforts to assist the Obligated Person in preparing the Annual Disclosure Report for delivery to the Dissemination Agent no later than March 15 of each year.

(d) Not later than the Filing Date, the Dissemination Agent shall provide written notice confirming whether or not such Annual Disclosure Report has been furnished by the Obligated Person.

(e) If the Obligated Person is unable to provide the Annual Disclosure Report to the Dissemination Agent by the Filing Date of each year commencing January 30, 2016, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

- (e) The Dissemination Agent shall:
  - (i) If not previously filed by the Obligated Person, send a notice to the MSRB if the Participating Agency, is unable to provide to the Annual Filing to the MSRB by the date required in subsection (a); and
  - (ii) to the extent information is known to it, file a report with the Obligated Person certifying that the Annual Disclosure Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

SECTION 4. Content of Annual Disclosure Reports. The Annual Disclosure Report shall contain or include by reference the following:

(a) The audited financial statements of the Obligated Person prepared in accordance with generally accepted accounting principles in effect from time to time. If any of such audited financial statements are not available by the time the Annual Disclosure Report is required to be filed pursuant to Section 3(a), the Annual Disclosure Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Disclosure Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the Filing Date, financial and operating data with respect to the Obligated Person for the preceding Fiscal Year, substantially similar to the financial and operating data in the Official Statement as Follows:

- (i) Principal and interest payment delinquencies;
- (ii) Table A[2/3/4]-\_\_ Water Connections;
- (iii) Table A[2/3/4]-\_\_ Water Deliveries;
- (iv) Table A[2/3/4]-\_\_ Water Sales Revenues;
- [(v) Table A[2/3/4] -\_\_ Secured Assessed Valuation;]
- (vi) Table A[2/3/4]-\_\_ Operating Results;
- (vii) Information concerning any revisions to the adopted rates and charges which are generally imposed by the Obligated Person upon users within the service area of its Water Enterprise; and
- (viii) For any customer whose total billings in the preceding Fiscal Year represent 10% or more of Gross Revenues of the Water Enterprise: (A) the total amount of Gross Revenues derived from such customer; and (B) the percent of Gross Revenues represented by such customer for such Fiscal Year.

(c) In addition to any of the information expressly required to be provided under Sections 4(a) and 4(b), the Obligated Person shall provide such other information, if any, necessary to the required statements, in light of the circumstances under which they were made, not misleading.

(d) The presentation and format of the Annual Disclosure Reports may be modified from time to time as determined in the judgment of the Obligated Person to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Obligated Person to reflect changes in the business, structure, operations, legal form of the Obligated Person or any mergers, consolidations, acquisitions or dispositions made by or affecting the Obligated Person; provided that any such modifications shall comply with the requirements of the Rule.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Obligated Person or related public entities, which have been made available to the public on the MSRB website. The Obligated Person shall clearly identify each such other document so included by reference.

SECTION 5. Termination of Reporting Obligation. The obligations of the Obligated Person under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2015 Bonds. If such termination occurs prior to the final maturity of the 2015 Bonds, the Obligated Person shall give notice of such termination to the MSRB.

SECTION 6. Dissemination Agent. The Obligated Person may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the Obligated Person.

The initial Dissemination Agent shall be the Flood Control District.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2015 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of the 2015 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the 2015 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of a nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the 2015 Bonds.

(d) Any amendment that modifies or increases the duties or obligations of the Dissemination Agent shall be agreed to in writing by the Dissemination Agent.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Obligated Person shall describe such amendment in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or

operating data being presented by the Obligated Person. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Specified Event, and (ii) the Annual Disclosure Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of a Specified Event, in addition to that which is required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Disclosure Report or notice of occurrence of a Specified Event in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Agreement to update such information or include it in any future Annual Disclosure Report or notice of occurrence of a Specified Event.

SECTION 9. Default. This Disclosure Agreement shall be solely for the benefit of the holders and beneficial owners from time to time of the 2015 Bonds. In the event of a failure of the Obligated Person to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of the Participating Underwriter or the Holders of at least twenty-five (25%) aggregate principal amount of Outstanding Bonds and upon receipt of indemnity satisfactory to the Trustee, shall), or any Holder or Beneficial Owner of the 2015 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by order of a court of competent jurisdiction in San Luis Obispo County, California, to cause the Obligated Person to comply with its obligations under this Disclosure Agreement, *provided* that any holder or beneficial owner seeking to require the Obligated Person to comply with this Disclosure Agreement shall first provide at least thirty (30) days prior written notice to the Obligated Person of the failure of the Obligated Person, giving reasonable detail of such failure. Failure by the Obligated Person to comply with any provision of this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Obligated Person to comply with the terms of this Disclosure Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Disclosure Agreement.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Obligated Person agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Obligated Person for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of the Obligated Person under this Section 10 shall survive resignation or removal of the Dissemination Agent and payment of the 2015 Bonds.

SECTION 11. Notices. Any notices or communications to the Participating Agency or the Flood Control District may be given as follows:

Obligated Person:

[City of Paso Robles / City of San Luis Obispo / Templeton Community Services District]  
[Address]  
Attention: \_\_\_\_\_  
Phone: \_\_\_\_\_

Dissemination Agent:  
San Luis Obispo Flood Control and Water Conservation District  
County Government Center  
1055 Monterey Street  
San Luis Obispo, CA 93408  
Attention: Auditor-Controller  
Phone: 805-781-5040

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Flood Control District, the Trustee, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the 2015 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Record Keeping. The Obligated Person shall maintain records of Annual Disclosure Reports and notices of Specified Events, including the content of such disclosure, the name of the entities with which such disclosure was filed and the date of filing of such disclosure.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but on and the same instrument.

[CITY OF PASO ROBLES / CITY OF SAN LUIS  
OBISPO / TEMPLETON COMMUNITY SERVICES  
DISTRICT]

By: \_\_\_\_\_  
Authorized Officer

Accepted:

SAN LUIS OBISPO COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT, as  
Dissemination Agent

By: \_\_\_\_\_  
Chairman

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL DISCLOSURE REPORT

Name of Obligated Person: [City of Paso Robles / City of San Luis Obispo / Templeton Community Services District]

Name of Bonds: SLO County Financing Authority Nacimiento Water Project Refunding Revenue Bonds 2015 Series A

SLO County Financing Authority Nacimiento Water Project Refunding Revenue Bonds 2015 Series B (Taxable)

Date of Delivery: July \_\_, 2015

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Disclosure Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of July \_\_, 2015, with respect to the 2015 Bonds. [The Obligated Person anticipates that the Annual Disclosure Report will be filed by \_\_\_\_\_.]

SAN LUIS OBISPO COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

By: \_\_\_\_\_  
[Name], [Title]

[cc: Obligated Person]  
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